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per annum.

No 17,132

號六十月四年八十壹百九千壹英

HONGKONG, TUESDAY, APRIL 10, 1918.

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Paid-up Capital \$2,457,500
II—Fire Funds \$3,827,047
III—Life & Annuity Funds \$17,507,590
Sinking Fund Account \$138,238

Revenue Fire Branch \$2,331,456
Life and Annuity \$2,141,583
Revenue Marine Department \$37,239
Other Receipts \$478,941
\$5,089,229

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8.00 a.m. to 10.00 a.m. Every 10 minutes
10.00 a.m. to 11.00 a.m. Every 15 minutes
11.00 a.m. to 12.00 p.m. Every 15 minutes
12.00 p.m. to 1.15 p.m. Every 15 minutes
1.15 p.m. to 1.45 p.m. Every 15 minutes
1.45 p.m. to 2.15 p.m. Every 15 minutes
2.15 p.m. to 3.00 p.m. Every 15 minutes
3.00 p.m. to 3.30 p.m. Every 15 minutes

7.30 a.m. to 9.30 p.m. to 11.00
p.m. every half hour
11.00 p.m. to 11.45 p.m. every quarter of
an hour

1.30 a.m. SUNDAYS
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10.00 a.m. to 11.00 a.m. Every 15 minutes
11.00 a.m. to 12.00 p.m. Every 15 minutes
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"CHINA MAIL" OFFICE.

THE GREAT BATTLE IN
FLANDERS.

DESPERATE FIGHTING CONTINUES.

(Reuter's Service to the China Mail.)

BRITISH OFFICIAL
REPORTS.

FIGHTING AT NEUVE EGLISE.
BRITISH COMPELLED AGAIN
TO WITHDRAW.

SEVEN ENEMY ATTACKS
REPULSED AT MERVILLE.

London, April 15.
Field-Marshal Sir Douglas Haig
reports:—

There was severe fighting through-
out the day yesterday around Neuve
Eglise.

After beating off numerous at-
tacks, we were finally compelled to
withdraw a second time from the
village.

There were strong enemy attacks
in the afternoon at a number of other
points of the battle-front.

There was fierce fighting north-
westward of Merville. German in-
fantry being driven back with great
loss.

Hostile infantry advancing along
the northern bank of the Lys Canal
were caught by our artillery fire and
were unable to develop an attack.

There were no fewer than seven
enemy attacks during the day in the
Merville sector.

All were repulsed with heavy
enemy loss.

In one case the enemy advanced
to the assault in five waves. Under
the weight of this attack our line
was bent back slightly, but a
counter-attack completely restored it.

Parties of the enemy south-west-
ward of Bailloul temporarily pen-
etrated our positions, but were driven
out and the line was restored. There
were successful minor operations at
night-time eastward of Robecq, and
we took 150 prisoners.

Fighting occurred this morning in
the neighbourhood of Hungard, where
we improved our position, capturing
a number of prisoners.

Hostile artillery was active in the
neighbourhood of Bucquoy.

FRENCH OFFICIAL
REPORTS.

MINOR OPERATIONS.

London, April 15.
A French communiqué states:—
We captured ten prisoners in a
perfectly successful minor operation
in the region of Hangard, where we
have taken 150 prisoners since the
12th instant.

We made several raids between
Montdidier, Noyon, south of Mont
Tutu and Champagne and brought
back prisoners.

Enemy attempts north of Chemin-
des-Dunes and south-east of Corbeay
were unsuccessful.

A GERMAN COMMUNIQUE.

London, April 15,
12.25 a.m.

A wireless German official report
states:—

On the battle-field of the Lys we
gained ground and penetrated the
enemy position south-westward of
Wulverghem.

We stormed and captured Nie-
wkerke after a desperate struggle
with the English counter-attacking
troops.

We took possession of the height
westward of Nieuwkerke.

Fighting took place with variable
results near Bailloul.

We captured Merris and Vieux
Belguin.

Enemy forces pushing forward
towards the battle-field sustained
heavy losses.

An attack by several French bat-
talions against Hainville was signifi-
cantly repulsed. We took many prisoners.

We carried out a successful thrust
against the Americans northward of
Mihail, inflicting heavy losses. We
brought back prisoners.

We have shot down 27 enemy
aeroplanes during the last few days.

(Continued on Page 2.)

PRESS CORRESPONDENTS
REPORTS.

HOPES OF A TURN OF THE TIDE.

London, April 15.

While the crisis is not yet past,
the fact that, like a stone wall,
France has successfully held the
German onslaughts for 48 hours
gives hopes of a turn of the tide.

The Germans are still bringing up
reserves, and are heavily concentra-
ting between Arras and Albert. The
roads are blocked by unending anti-
tank processions of men and guns,
on whom tons of bombs are being
dropped.

All the Correspondents testify to
the magnificent tenacity of the
Allies, some of whose units have
been continuously in action since
March 21st.

AWESOMING SCENE ON
THE BATTLE FRONT.

Mr. Percival Phillips says:—

The enemy can no longer hope to
break through. The men are very
cheerful. The scene in the battle-
field is awesome. A pall of smoke
overhangs for 40 miles and the plain
is covered by flaming villages.

Shells are breaking on others, like
white-topped waves which break
against rocks, gradually crumbling
them.

The atmosphere is heavy with the
acid fumes of explosives. The thin
lines of Khaki are hardly visible
through the muck which is stabbed
by flashes of immemorial guns.

Mr. Perry Robinson, another Press
Correspondent, says:—

The enemy's attacks have lost
their original momentum. They
have suffered terribly by our guns.
There may still be surprises, but the
second German blow has definitely
failed. The original plan was to
break through the British Army and
to smash a way to the Coast. The
attack was only to be shifted to
another part, in the event of failure.

Therefore, the attack on Arras is
itself a confession of failure.

GALLANT FRENCH TROOPS.

HOW A RETIREMENT WAS
CHECKED.

London, April 15,
1.30 a.m.

Reuter's Correspondent at French
Headquarters, writing on the 15th
inst., says:—

The recent tactical withdrawal
upon the line of the Ailette was a
complete success. It was note-
worthy for the gallantry of the troops
in covering a difficult movement,
which was effected without the loss
of a single cannon or machine-gun.

The village of Barisis lies in the
middle angle of the territory which
was evacuated. The dominating
point was a hill crowned by the
castle of Coucy-le-Chateau, the finest
European specimen of Medieval
military architecture. While the
troops were retiring the defenders
of this castle were ordered to hold
on at all costs. Small parties of the
enemy advanced into the gully lead-
ing to the height of Coucy-le-
Chateau, dense waves following
them. The French machine-guns
lined both sides of the gully, 80
feet from the front, continuously for 48 hours
from the 8th to the 9th of April
over a million rounds. When the
French retired the valley was grey
with German corpses. The Com-
mander-in-Chief ordered a check
as the Germans were dangerously
advancing up other ravines. He
collected forty crack grandiers and
pushed the enemy back several
hundred yards, pursuing them until
they could be grinded at a angle
of three yards.

photo No. 491.

TELEGRAMS.

(Continued from Page 1.)

COUNT CZERNIN RESIGNS

IS IT A PROTEST AGAINST
EMPEROR KARL'S LETTER?

AMSTERDAM, April 15.

A message from Vienna states that the Emperor has accepted Count Czernin's resignation.

RUMANIA AND GERMANY.

COMPELLED TO SELL CORN
SURPLUSES FOR TWO
YEARS.

AMSTERDAM, April 15.

In the Prussian Diet the Food Controller, Herr Waldow, complained of the devastating effects of clandestine trading by evading the regulations.

He added that Rumania had been compelled to sell to Germany her corn surpluses for the next two years.

SCARCITY IN UKRAINE.

FAMINE FACING THE
INHABITANTS.

ZURICH, April 15.

A correspondent of the *Frankfurter Zeitung* in Ukraine sends a very gloomy account of the conditions. Shops and warehouses are empty. The peasants' stocks have been depleted and the best seed corn is used for feeding cattle and for sweet distilling. The peasants have destroyed their farm machinery and have slaughtered their cattle. No agricultural labour is available for the harvest.

ORIGINAL HOME OF ZEPPELINS
DESTROYED.SERIOUS CONFLAGRATION IN
GERMANY.

BRANSE, April 15.

The great shed near Friedrichslafen, the original home of Zeppelins, was destroyed by fire on Saturday night as a result of an explosion. The flames were visible throughout Eastern Switzerland.

THE LABOURITES AND IRISH
CONSCRIPTION.UNEXPECTED OPPOSITION BY
THE PARTY.

LONDON, April 15.

The *Daily News* states: "A serious Government position has developed during the week-end. The Labour Party is opposed to conscription in Ireland, without Home Rule. The Labour Ministers are, therefore, considering the position. It is understood that Mr. George N. Barnes (the Minister of Pensions) is in complete disagreement on the matter."

THE COMING HOME RULE BILL.

A PARLIAMENTARY FORECAST.

LONDON, April 15.

The *Daily Telegraph's* Parliamentary Correspondent gives the following forecast of the Home Rule Bill:—

An Irish House of Commons composed of 200 members, 80 of whom will be guaranteed to the Unionists, and a Senate to consist of 64 members representing different interests. Forty-two Irishmen will sit in the House of Commons. The Irish Parliament will have full power in internal legislation, administration and direct taxation. The other matters will be decided after the war.

THE IRISH CONVENTION'S
LABOURS.

AMERICAN COMMENT.

NEW YORK, April 15.

The *New York Times*, commenting on Sir Horace Plunkett's letter to Mr. Lloyd George, says: "The Sir Horace Plunkett chose to obtain a Convention, ostensibly wanting a Republic, grotesquely initiated under German auspices. It remains the fashion to belabour the English because the Irish cannot decide on the sort of Government they want."

SUBMARINE BOMBARDMENT OF
MONROVIA RESUMED.

MONROVIA, April 15.

The submarine bombardment, called on the 13th inst., was resumed to-day at 10.4.

Adequate steps have been taken to protect the Libyans.

AMERICAN REVIEW OF THE
BATTLE.ENEMY TO LAUNCH AN
OFFENSIVE IN ITALY.

WASHINGTON, April 15.

The War Secretary's Weekly Review says:—
The enemy is waging battle to achieve victory. His sole aim to-day is the annihilation of the British Armies. Thus terms counts for but little. If the enemy can master driving power he will continue his assaults.

The probability of an enemy offensive in Italy as soon as the weather becomes more favourable is increasing.

AMERICAN LABOUR LEADERS IN
LONDON.IMPRESSED BY OUR GIGANTIC
EFFORT.

LONDON, April 15.

A deputation of American Labour Leaders have arrived at London on a three-week visit to the munition factories and other centres. The members, interviewed, said they were already deeply impressed by what they had already seen of Great Britain's gigantic effort.

THE SILVER MARKET.

LONDON, April 15.

The Silver Market is steady.

OBITUARY.

SENATOR STONE.

WASHINGTON, April 15.

The death is announced of Senator Stone.

EARLIER TELEGRAMS.

THE GREAT STRUGGLE.

ATTACKS REPULSED BY BRITISH.

LONDON, April 14.

Field Marshal Sir Douglas Haig reports:—

After many hours' obstinate fighting during the night and this morning about Neuve Eglise we remained in possession of the village. The attacks were pressed with great determination and the enemy's losses throughout have been heavy. The enemy to-day renewed his attempts against the village and fighting continues.

We repulsed, this morning, attacks in the neighbourhoods of Bailloul and Merria.

Our artillery dispersed infantry attempting to attack in the forenoon, north-west of Merville. The hostile artillery is more active in the neighbourhood of Albert.

AVIATION REPORT.

Reporting on aviation, Sir Douglas

Haig says:—
Our low-fliers reconnoitred the battle-front dropping 1,200 bombs on the enemy's troops on the roads leading to the Front. A few air-fights took place with indecisive results. One of our machines is missing.

THE SITUATION GENERALLY
UNCHANGED.

LONDON, April 14.

Reuters' Correspondent at Headquarters, telegraphing this evening, states:—
A bitterest wind is raging in Flanders and the visibility is very low.

The situation is generally unchanged and we, likewise, are steadily increasing our forces, consequently the battle is more stationary although it is as intense as ever.

Yesterday morning, the Germans launched a heavy attack against the length of front they have been attacking continuously but unsuccessfully for the past two days, undoubtedly calculating that the British were worn out and that another smashing blow would finish us. But fresh reinforcements helping the defenders flung back the enemy masses with terrible losses.

The methods of the enemy attacks make heavy losses absolutely inevitable. His formula of shock tactics consists in pushing forward a succession of dense waves at close intervals and as the front line is killed off others press on by the sheer weight of man behind. Frequently, the advance has been checked by a barrier of piled-up corpses.

Our rear-guard fighting has been most skilful and most valiant beyond words, while our machine-gunners, holding a series of little posts have poured bullets into the enemy until their ammunition has become exhausted.

The main body has slowly fallen back upon prepared positions and each backward step has been made perfectly methodically, exacting the full price for what has been yielded. Never have troops fought with such superb courage and tenacity as are now displaying. They have got their backs to the wall indeed, and Sir Douglas Haig's order has vastly heartened them. The British have learned the value of the fighting qualities of the poilu. The French are indeed magnificent. Their morale is conspicuously one of irresistible confidence.

The enemy is apparently endeavouring to gain command of the line of communications between Bailloul and the North, and he is fighting desperately with mechanical bravery and iron discipline. The enemy is also apparently hoping to envelope the forest of De Neppes by thrusting through Hazebrouck and from thence southward, but the

tactical intelligence shows that he is progressing very little in this direction and our resistance at certain points along the line of advance is baulking his plans. After a fourth repulse at Neuve Eglise last night the enemy maintained his heavy pressure around that place, gaining a little ground at a few points east of the village. Heavy attacks south of Bailloul extending towards Merria have continued since this morning.

Yesterday morning, the enemy attempted an advance on a thousand yards front, south of Lys, but was smothered by artillery. Another advance from Ouveille was likewise flung back, while there was an intense bombardment heralding enemy infantry between Wytchacten and Kemmel Ridge. When they came they were caught by a concentrated retaliatory barrage.

Our withdrawal near Locon towards La Bassée Canal was to more favourable defensive positions.

I judge the most critical period of the battle was on April 12. This was the stage when, had the enemy pressed his advantage, the consequences would have been serious. His failure to improve his opportunity was presumably because he could not. Since then, there has been a steady improvement in the general position.

The latest news is very encouraging; almost cheering. Notwithstanding the continued efforts of the enemy the line is holding.

Prisoners state that the losses were terrible and the hardships extreme. The formidable thrust is at present arrested and every hour diminishes the enemy's prospect of success. His position, tactically, is not good and conditions might develop to render it distinctly bad.

NO INFANTRY ACTIONS ON
FRENCH FRONT.

LONDON, April 14.

A French communiqué states:—
There were reciprocal bombardments at several parts of the Front but no infantry actions.

GERMAN REPORT.

LONDON, April 14.

A German official message reports successful engagements between Nieuwkerke and Vieux Birquin.

THE "RHEINLAND" SALVED.

STOCKHOLM, April 15.

The German battleship *Rheinland*, which was said to have grounded off the Aaland Islands, is reported to have been refloated, but is badly damaged.

BRITISH WAR FINANCE.

INTERESTING SPEECH BY SIR
FELIX SCHUSTER.

Sir Felix Schuster, Governor of the

Union of London and Smiths Bank, Limited, in the course of his address at the annual general meeting of shareholders on January 30th alluded to Government finance in the following terms:—

The figures dealt with are on such a gigantic scale that they would scarcely have been conceivable to any of us before the war. The Budget introduced in May last gave the actual expenditure of one year at 2,200 millions and a revenue of 573 millions. Of the total National Expenditure during the war, no less than 1,137 millions, or fully 25 per cent., had been provided out of revenue. This is a very important point which struck me when I went over the figures. It is important to bear in mind when sometimes we look forward with anxiety to the huge accumulation of debt, how is the interest to be met? Well, we have paid 25 per cent. out of revenue, and provided this large amount of 1,137 millions during the war. I think that may be a comfort to us in looking at the finance of the future.

The estimated expenditure for the present financial year came to 2,200 millions, the total estimated revenue to 638 millions, leaving a balance to be provided by loans of 1,560 millions. By the 31st December the estimated increase in revenue for the whole year had already been exceeded by 42 millions. Expenditure, of course, has also greatly exceeded the estimate.

During the year 1917 the amount of new money obtained by means of the War Loan issued in January was 647 millions, the total of this Loan, including Conversion Amounts, being about 2,100 millions. Exchequer Bonds produced £82,000,000, War Savings Certificates £68,000,000, other Debt, which includes loans raised abroad, but from which allowance will have to be made for our advances to Allies, amounted to 650 millions, and National War Bonds to 207 millions. While the amount of Treasury Bills paid off on balance was 57 millions. Thus it can be maintained that not only did the War Loan attain a far greater success than the most optimistic forecasts anticipated, but the financial policy in its endeavour to reduce floating debt and replace it by more permanent forms of loans is one that has already been successful to a certain degree and should be further extended.

I think it is in the hands of the public at large to support the Government's financial policy to their utmost, and if they do so the issue of another huge loan, with all its attendant disadvantages and dislocation of the money market, will be quite unnecessary. The present method of continuous borrowing entails the least disturbance of the money market and

is, I am glad to think, our figure in the Bank show it—highly successful. The applications for War Bonds have been on an increasing scale during the last few weeks, the subscriptions reaching 25 to 30 millions a week, and if this rate can be maintained or increased, borrowing by any other method would not be required. The Government have indeed placed at the disposal of the public a security which appeals to every class of investor, both small and large; to him who wants a short investment, to him who wants a long one, together with the opportunity of converting into the old War Loan and an option to secure any new loan that may be issued, leaving him the choice also of a security subject to income-tax or one on which the tax has been compounded. Indeed the merits of the issue, which have been very carefully thought out, seem only now to have been recognized in wider circles, and what is most satisfactory is the greater interest which smaller investors are taking in our Government issues. Through the courtesy of the Chairman of the War Savings Committee I have been able to obtain certain figures which show the cash contributions of the "small" investor, and I should like to say that the work undertaken and successfully carried out by the National War Savings Committee cannot be sufficiently commended and is, in my opinion, hardly yet recognized. There are now 1,540 Committees in England and Wales, and the number of affiliated Associations throughout England and Wales is 38,400, and there are about 4,000 more in Scotland. The total number of War Savings Certificates sold to the 20th January was 144,000,000—this is the number of certificates and not the sterling equivalent. The membership of the War Savings Associations is over four millions, who are contributing weekly to the National Exchequer small sums of 6d. and upwards. There are 11,540 Associations in schools throughout the country, and in many of these the contributions are accepted in pence. The movement must have a most important influence and is bound to have a considerable effect on the habits of the coming generation. In estimating the value of the sums collected from the small investor the public should recognize that this is mostly money which, if not saved in this way, would have been spent on the very articles of which there is a shortage at the present time and is, therefore, a much more valuable saving than the amount would signify. A good many Local Authorities bear a great portion of the expenses of their Local Committees, and justify their action by the argument that the promotion of habits of thrift will diminish pauperism in their district and thereby relieve the rates. While this saving has been going on there has been no decrease in Post Office Savings Bank deposits, which at the beginning of the war were 188 millions while now they are 203 millions, and the Trustee Savings Bank deposits have only decreased by about 2½ millions. The total subscribed in £500 War Savings Certificates sold is 24½ millions, bringing the aggregate received for War Savings Certificates up to 104½ millions. The amount invested in Government securities through the Trustee Savings Banks is 15 millions. The total investments of the small investor in Government securities are estimated to have been 258 millions up to the end of last year. Only those who have any experience of what it means to collect such amounts in small sums can really appreciate the magnitude of the effort which has been put forth in this direction, and I do not think the public can do better than read the pamphlet issued by the National War Savings Committee and give the Committee most cordial support, for not only does this work assist in carrying on the war, but the educational service in promoting habits of thrift and teaching the public their benefit must be of incalculable value in the future.

If the small investor has thus come forward he is giving evidence of his saving power and confidence in the future of the country, those whose income is on a larger scale have an even more imperative duty to do all they can so that financial considerations shall not interfere with the successful prosecution of the war, and they can do so not only by investing to the largest possible degree but, and more especially, by reducing expenditure to the lowest possible limits.

While War Bonds are, as I have tried to show, offering an attractive form of investment and should appeal to everyone, other methods have been advocated and particularly that of borrowing on premium bonds, a not very clearly defined expression, and opinions seem to vary as to what it actually means. The Parliamentary Committee appointed for the purpose of considering this form of borrowing did not recommend it, and perhaps it may be of interest to give you the best American opinion on the subject, obtained from one who is now on the spot and in the best position to judge. They consider the financial circles in the United States as that such a form of borrowing would be regarded as a weakening of public morale in this country and a failure of the appeal to patriotism, that such bonds are usually associated with countries whose credit does not rank very high; that such borrowing would

be regarded like a drug which is difficult to recede from, so that any good results likely to be obtained would be more than outweighed by the greater harm to morale and credit.

In certain quarters there has been a call for what is styled conscription of wealth or levy on capital. How this is to operate or to be carried into effect has never been clearly defined, and let it be remembered that the contributions of invested capital to the revenue of the country by way of income tax, super tax and death duties are already on a very considerable scale. But were it true that capital is only a helpmate to the idle rich to spend their lives in ease and luxury, then, I should say, by all means let capital go. But all workers must know that capital is essential for the carrying on of all our industries, for calling into life new enterprise, for finding employment and providing better conditions and a higher standard of living to millions of our population. No doubt it has its duties too, which are becoming more and more recognized, but the working classes themselves must know that in their own interests capital must not be either curtailed or driven out of the country, but rather attracted to it. Apart, however, from mere questions of self-interest, I cannot for a moment believe that any repudiation of obligations once incurred, or interference with public or private credit could possibly commend themselves to the people who went to war for a "sump of paper."

These remarks were put down before the debate in the House last night. I do not know that that debate adds very much to our knowledge. We are told that it is a purely academic question. If so, I think it a pity it has been raised, because discussions of purely academic questions at such a time can do no possible good, and they certainly give rise to a great feeling of insecurity all over the country. What is in the mind of the Chancellor of the Exchequer is quite a different thing, it appears to me, from what certain advocates of that policy have in their minds, and I think that should be clearly stated and recognized. As I said, capital contributes already very largely. Death duties are a levy on capital—a very heavy one, and one which at some time may have quite serious influences.

Mr. JOHN HENKES: We cannot do without capital, sir.

The GOVERNOR: No. I did not want to give you too many figures, but I have had a return before me which is very interesting. It shows in all cases a decrease in the number of super tax payers, in each class in which they are graduated.

One form of Government indebtedness shows an increase which I admit gives me some concern and the cause of which I do not quite understand. I allude to the currency notes, which now amount to £212,500,000. I cannot think how there can be such demand for this large volume of small currency, and this is certainly a form of inflation which ought to be very carefully watched and should be reduced at the earliest moment.

There is a critical period before us, not only as regards the conduct of the war itself during the next few months, but also as regards the financial and economic questions that will have to be solved when the war comes to an end. We shall have to face both with endurance and fortitude. Taxation must necessarily be high and remain so for many years. It will test the powers of statesmanship and foresight to the utmost to devise the best means for raising taxation so as to produce the largest revenue and interfere as little as possible with the industrial development of the country. The country will have to produce more and to buy less, and taxation should, in my opinion, not be based only upon income but especially upon expenditure, and particularly in respect of expenditure upon luxuries. Every one of us will be poorer with very few exceptions. Everyone of us will have to work harder than ever before, to spend less, to save more, and every effort must be made for increased output of individual effort and national production. If such efforts be made and sustained I feel that we can face the future with hope and confidence.

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